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UNITED STATES INTELLIGENCE BOARD

MEMORANDUM FOR THE UNITED STATES INTELLIGENCE BOARD

SUBJECT: Annual Report to the National Security Council on the  
Status of the Foreign Intelligence Program

REFERENCE: USIB-D-3.2/1, 16 July 1959

1. Attached for Board review is a draft report in response to a memorandum from the Executive Secretary of the National Security Council, dated 6 July 1959. This memorandum requested that the Central Intelligence Agency, in consultation with other departments and agencies, submit not later than 1 September 1959 a report on the status of the foreign intelligence program as of June 30, 1959. Particular reference was made to NSC 5801/1, the relevant paragraph of which deals with establishing and maintaining an intelligence system capable of providing early warning, assessing the capabilities of foreign governments and anticipating important developments abroad.

2. This draft report has been prepared in the Intelligence Board Secretariat on the basis of contributions from the member agencies and the various subcommittees. It was reviewed and coordinated at a meeting to which all interested agencies and subcommittees were invited to send representatives.

4. In order to meet the deadline set forth by the NSC, this report [redacted] will appear on the Board agenda for the meeting of 25 August.

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Executive Secretary

Attachment

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ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL  
ON THE  
STATUS OF THE FOREIGN INTELLIGENCE PROGRAM  
(Fiscal Year Ending 30 June 1959)

I. Organization, Integration and Coordination

From the standpoint of the intelligence community the most significant organizational development during the past year was the creation of the new United States Intelligence Board. This Board, established by National Security Council Directive No. 1, of 15 September 1958, integrates under a single body the responsibilities previously assigned to the former Intelligence Advisory Committee (IAC) and United States Communication Intelligence Board (USCIB). Initially the new Board retained substantially the IAC subcommittee structure, established COMINT and ELINT Committees to support the Board in these important areas,\* and created an Intelligence Board Secretariat to assist the Board in carrying out its responsibilities. Subsequently, the Board undertook and substantially completed a systematic consolidation and revision of the Director of Central Intelligence Directives (DCIDs), and made some further readjustments in the Board's subcommittee structure.

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[redacted] a Cost Estimates Committee charged with providing annually a fully coordinated cost data report covering the intelligence community as a whole, and a Security Committee. Ad hoc groups were set up to study special problems [redacted] and to report weekly on the Berlin situation on a community-wide basis. A comprehensive review of emergency planning within the intelligence community was initiated. The Board also established [redacted] [redacted] to provide services of common concern. [redacted]

[redacted]

processing. We also moved to improve coordination in [redacted]

[redacted] particularly in those areas deemed most deficient. Other specific measures were taken to improve coordination and integration, with special emphasis on high priority intelligence targets. Within several USIB departments, notably State and Defense, basic reorganizations were made in order to meet departmental and community needs more effectively. For example, all intelligence research and analysis on Communist areas and international aspects of the Communist movement are

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now concentrated in a single office within the Department of State, thus permitting an integrated approach to world Communism within that department.

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As a result of NSCID No. 1 and implementing actions such as those above, the Director of Central Intelligence and USIB have made material advances in the consolidation of policy-making and establishment of effective managerial control over the national U.S. intelligence effort. A principal effect of these developments is to provide increased assurance that the total resources of the U.S. intelligence community are available to those responsible for producing and coordinating our intelligence at the national level (e.g., National Intelligence Estimates, National Intelligence Surveys, Central Intelligence Bulletin).

## II. Early Warning Capabilities

In spite of certain improvements, the problem of providing strategic early warning of a Sino-Soviet attack on the U.S. and U.S. forces has become increasingly difficult with Soviet advances in complex weapons

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systems, particularly in the field of guided missiles. To the extent that guided missiles are now in place in operational sites within the Sino-Soviet Bloc--and particularly if maximum surprise were desired--only a high-level decision and brief preparation at the missile sites would be absolutely necessary to launch an attack.

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Meeting all these requirements in time to provide specific early

warning would be unlikely or at best extremely difficult. If, however, conventional forces were used to launch a strategic attack, there would be a considerably better chance for detection. In situations initially involving more localized conflicts, intelligence is also in a better position to obtain evidence of the buildup of conventional forces in the area if this occurs. Such detection is especially likely if attention is focused by a general atmosphere of crisis. However, there remains the difficult analytical problem of distinguishing between the increase in Bloc capabilities for the purpose of bluff, probe or general readiness on the one hand, and the intention (or decision) to launch an attack with these increased capabilities on the other.

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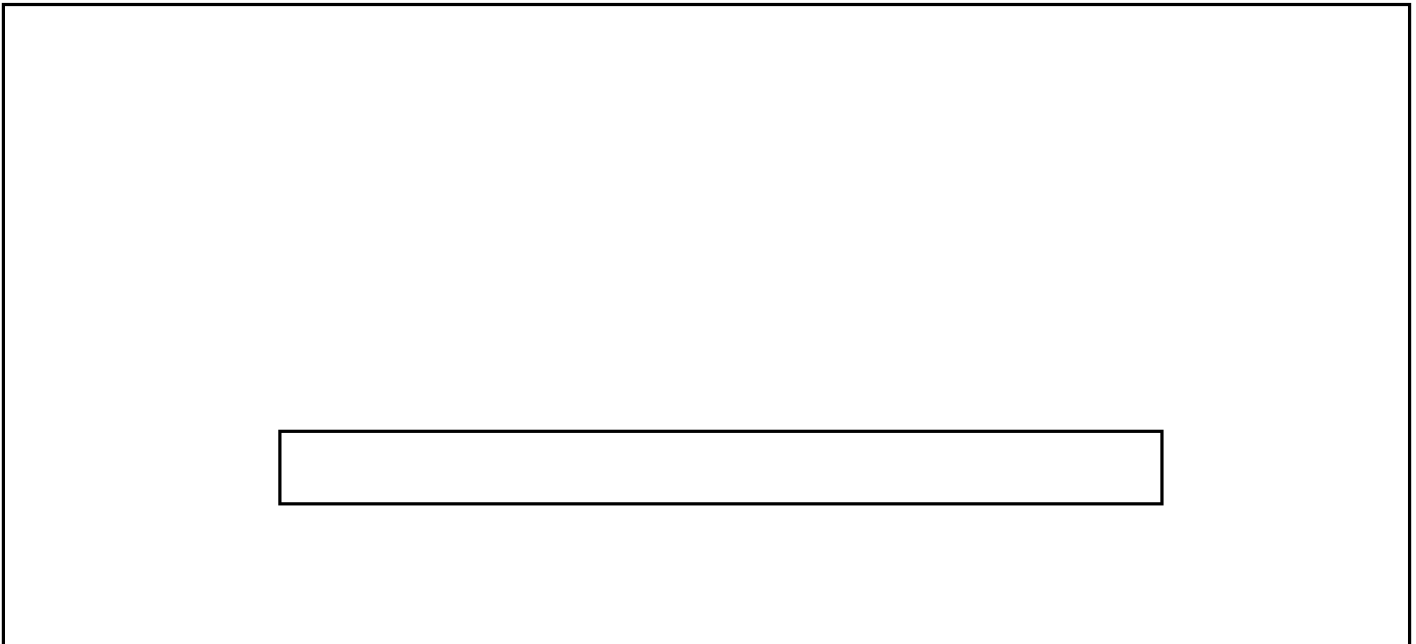
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During the year a revision of the general list of indications of hostile intentions was undertaken, and the survey of the means and likelihood of acquiring these types of information was continued. Improved procedures in the CRITIC system resulted in faster transmission of urgent indications,

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### III. Intelligence Capabilities by Area

#### A. The Sino-Soviet Bloc

##### 1. USSR

With respect to political intelligence, increased contacts at both unofficial and official levels, particularly with Mr. Khrushchev himself, combined with a more liberal Soviet policy on the release of information have provided a broader background on which to base inferences regarding

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[REDACTED]

Soviet society, its leaders and their general outlook. However, we still lack the types of hard information to permit reasonably confident anticipation of short-range specific prospects in the policy field, the rise and fall of key Soviet officials, or the tactical shifts in Soviet foreign policy focus among the various non-Bloc target areas. In addition, there is a dearth of direct evidence on the precise nature of the relationship between the Soviet Union and Communist China.

We are able to assess with considerable confidence the broad strengths and weaknesses of the Soviet economy. Economic intelligence on the USSR improved during the year as our continuing analysis of shifting Soviet economic policy reduced or eliminated many former uncertainties. In addition, economic intelligence collection was strengthened by new and comprehensive programs of community-coordinated guidance [REDACTED]

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[REDACTED] However, important gaps in our information remain, particularly on the size, composition, and cost of Soviet military programs.

Rigorous security measures continue in effect in the USSR, yet our requirements call for increasingly detailed analysis of the complex new Soviet weapons systems. We are able to assess with confidence the broad military capabilities of the Soviet Union, but we are unable to

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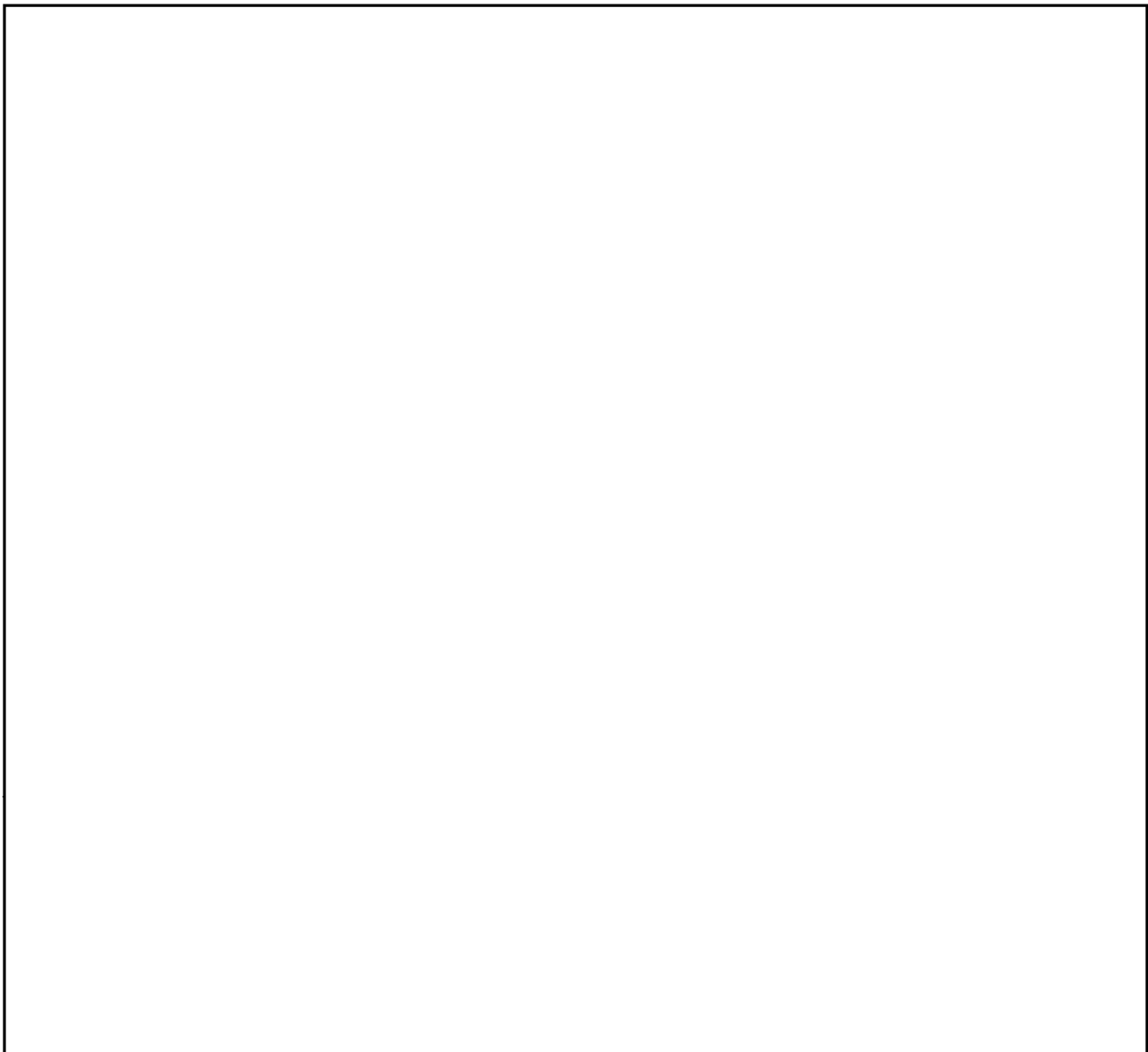


measure with the degree of precision which would be desirable, the military force levels, the deployment and detailed characteristics of many weapons systems including those of guided missiles. Nevertheless, we have made some advances in the past year,



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have reduced somewhat the possibility of a surprise scientific breakthrough.

However, critical gaps in scientific intelligence continue to exist: for example, we are still, in general, at least a year behind in our knowledge of current Soviet Bloc military research and development.

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